

FOR ACTION

I. REQUEST

Approve: (1) Resolution No. 150, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds; and (2) Reservation of Low Income Housing Tax Credits for the Pauahi Kupuna Hale Project Located in Honolulu, Oahu, TMK No.: (1) 1-7-003:038

II. FACTS

Project Information:

<i>Project Name:</i>	Pauahi Kupuna Hale		
<i>Applicant:</i>	Pauahi RHF Partners, LP		
<i>TMK and Location:</i>	TMK No.: (1) 1-7-003: 038 167 N. Pauahi Street Honolulu, HI 96817		
<i>Land Tenure:</i>	Leasehold Fee Owner: City and County of Honolulu		
<i>Project Type:</i>	Existing Building used for housing		
<i>Target Population:</i>	Elderly		
<i>Length of Affordability:</i>	56 Years		
	47 units @ 60% AMGI 1 Manager's unit 48 Total Units		
<i>Projected Unit and Rent Mix:</i>	<i>Units</i>	<i>Unit Type</i>	<i>Rent / Mo.*</i>
	12	Studio Unit	\$1,240
	35	1-Bedroom Unit	\$1,456
	1	1-Bedroom Manager's Unit	N/A
	*Includes Rent Subsidy and Net of Utility Allowance		
<i>Estimated Completion:</i>	First Building – N/A (one building) Project Completion (Last Building) – September 2022		
<i>Type of Construction:</i>	One (1) 6-story, elevator-serviced building, consisting of reinforced-concrete block construction with concrete/stucco exterior. Composite rubber roofing.		
<i>Amenities and Services:</i>	Project amenities: laundry facility, courtyard and community garden, picnic area, and elevator. Unit amenities: range, refrigerator, and disposal		
<i>Floor Area:</i>	25,608 sq. ft. Residential Area 420 sq. ft. Common Area 26,028 sq. ft. Total		
<i>Developer:</i>	Pauahi RHF Partners, LP Contact – Anders Plett 911 N. Studebaker Road Long Beach, CA 90815 (562) 257-5309		

<i>Contractor:</i>	Unlimited Construction Services, Inc. Contact – Jason Thon 733 Bishop Street, Suite 1717 Honolulu, HI 96813 (808) 521-4141
<i>Property Manager:</i>	Foundation Property Management Contact – Perry Glenn 911 N. Studebaker Road Long Beach, CA 90815 (562) 257-5120

- A. The Hula Mae Multi-Family (HMMF) Bond Program is a federally authorized program, which allows the Hawaii Housing Finance and Development Corporation (HHFDC) to issue tax-exempt revenue bonds to finance the acquisition and rehabilitation or development of privately owned affordable rental projects.

Under the HMMF Program, the HHFDC can issue tax-exempt revenue bonds to provide below market financing to private developers or owners of affordable housing projects. The HHFDC acts as a financing conduit by issuing the bonds on behalf of the project. However, repayment of the bonds is the responsibility of the financed project and its owners, not HHFDC or the State of Hawaii (State).

Multi-family, tax-exempt bonds require Private Activity Bond Cap (Bond Cap), which the State receives annually in a limited amount from the Federal Government. For 2020, the State received \$321,775,000 in Bond Cap.

The Department of Budget and Finance oversees the allocation and use of the Bond Cap. Half of the Bond Cap is available to the four counties with the balance available to the State. HHFDC is one of many competing issuers that can use Bond Cap. HHFDC uses Bond Cap for its HMMF, Hula Mae Single Family, and Mortgage Credit Certificate Programs.

- B. The Tax Reform Act of 1986 established the Low Income Housing Tax Credit (LIHTC) Program, which replaced tax incentives for low-income housing investments. The 1993 Budget Act granted permanent authority to the LIHTC Program.
1. Only a designated state or local housing credit agency can allocate LIHTC. The designated agency for the State is HHFDC.
 2. The HHFDC publishes a Qualified Allocation Plan (QAP), which includes the criteria for evaluating and allocating LIHTC. The QAP also includes the procedures to monitor compliance of projects that receive a LIHTC allocation.
 3. To qualify for LIHTC, projects must meet the following general guidelines in addition to other program requirements as mandated under Section 42 of the Internal Revenue Code.
 - a) The LIHTC is available only for units rented to low-income occupants.

- b) A project must have at least:
 - (1) 20% of its units rented to households with income 50% or less than area median gross household income (AMGI); or
 - (2) 40% of its units rented to households with income 60% or less than AMGI.

The United States Department of Housing and Urban Development (HUD) establishes the AMGI for each county annually. HUD also adjusts the AMGI for family size.

- c) Low-income rents are restricted based on the number of bedrooms in the units, adjusted by a utility allowance.
- d) Projects must comply with the rental rate and household income restrictions for a minimum of 30 years.
- e) All units must be available to the general public.
- f) Before awarding the LIHTC, staff must evaluate proposed projects to award the least amount of LIHTC necessary to make a project feasible.

C. On June 22, 2020, Pauahi RHF Partners LP (Applicant) submitted a consolidated application, as amended, on behalf of Pauahi Kupuna Hale (Project) for:

- 1. Tax-exempt issuance of \$10,488,964 from the HMMF Bond Program and
- 2. \$679,743 in annual Federal LIHTC over a 10-year period and \$679,743 in annual State LIHTC over a 5-year period from the non-volume cap pool (4% LIHTC).

D. Available authority under the HMMF Bond Program as of November 30, 2020, is summarized below:

HMMF Program Bond Authority	\$ 3,000,000,000
Less: Bonds Issued to Date (46)	1,017,893,081
Less: HMMF Pending Issuance (11)	328,007,333
Uncommitted HMMF Program Bond Authority	\$ 1,654,099,586

III. DISCUSSION

- A. The Project is an existing 48-unit (includes 1-manager's unit) affordable rental housing facility targeted for elderly households with project-based Section 8 rental subsidy for all units. The Section 8 rental subsidy contract expires on December 31, 2039, with a Use Agreement related to the rental subsidy and a HUD 202 loan in effect until September 1, 2046. Improvements consist of one (1) 6-story residential building.
- B. The Applicant is a single asset, real estate holding company, specifically established to acquire, rehabilitate, and operate the Project. The Managing General Partner is Pauahi RHF MGP, LLC. The Managing Member and majority owner of the Managing General Partner is Pauahi Elderly, Inc. (PEI) a 501(c)(3) corporation.

1. PEI is the Project seller and, as indicated above, shall retain ownership and management interests in the Applicant. PEI was established in 1983 to develop, own, and operate the Project. The Applicant is purchasing the Project for \$7,900,000 with PEI recognizing approximately \$7,200,000 in profit and about \$6,346,000 in net sales proceeds (after repayment of outstanding project debt). PEI is loaning the entire \$6,346,000 in net sales proceeds as a seller's note.
 - a) To mitigate HHFDC and its Board of Director's concerns regarding seller's profit and re-investment of LIHTC and other state controlled resources into existing affordable projects, PEI agrees to pledge all net sales proceeds (including any cash at closing and repayment proceeds from the seller's note) to a depository account restricted for the direct benefit of the Project (Exhibit E).
2. PEI is controlled by Retirement Housing Foundation (RHF), which is also a 501(c)(3) corporation . RHF is an experienced LIHTC project developer and operator with 198 projects in 29 states, Puerto Rico, Washington DC, and the US Virgin Islands.

C. The proposed Financing Structure is as follows:

Source	Interim	Permanent
Sponsor Equity	\$ 873	\$ 873
LIHTC Equity	1,746,767	8,733,833
HMMF Bond	10,488,964	6,252,056
Seller's Note - Related (PEI)	6,346,028	6,346,028
Replacement Reserve	472,945	472,945
Deferred Developer Fee	2,894,176	382,952
Other Deferred Costs	238,934	0
Total	\$ 22,188,687	\$ 22,188,687

D. The proposed Project Budget and Use of Funds is as follows:

Budget/Cost Item	Amount	Per Square Foot	%
Acquisition	\$ 7,900,000	\$ 303.52	35.60
Construction – Sitework	314,500	12.08	1.42
Construction – Vertical	5,115,500	196.54	23.06
Construction – Contractor Profit	739,200	28.40	3.33
Interim & Soft Costs	2,609,138	100.24	11.76
Financing & Syndication Costs	1,395,835	53.63	6.29
Developer's Fee	2,894,176	111.19	13.04
Developer's Overhead	0	0.00	0.00
Project Reserves	468,418	18.00	2.11
Contingency	751,920	28.89	3.39
Total	\$ 22,188,687	\$ 852.49	100.00

- E. The Project’s estimated construction timeline is as follows:
1. Building Permits – April 2020
 2. Construction Start Date – July 2021
 3. First Building Completion – N/A (one building)
 4. Project Completion (Last Building) – September 2022
- F. “Inducement Resolution” for the bond issue. The Inducement Resolution is a non-binding resolution, which states that it is HHFDC’s intent to possibly issue tax-exempt revenue bonds for a project. Staff conducted a review of the preliminary information submitted and the Project appears to meet the requirements for tax-exempt bond financing. Upon submittal of all other requested and required information, staff will be able to make a final recommendation to the Board at a later date, with respect to a commitment for tax-exempt bond financing.

One of the reasons for requesting the approval of the Inducement Resolution deals with recognizing the expenditures made by the developer. Pursuant to the Federal guidelines that govern tax-exempt bond financing, bond proceeds can reimburse eligible expenditures made 60 days prior to Inducement Resolution approval. Thus, the Developer is requesting the approval of the Inducement Resolution in order to be eligible for reimbursements on current expenditures for the Project.

The approval of the Inducement Resolution by the Board may be viewed as “Official Action” being undertaken by the issuer (HHFDC), one of the requirements of the multi-family housing bond program.

The approval of the attached resolution does not authorize the sale of tax-exempt bonds for the Project. Section 147(f) of the Internal Revenue Code requires that the “applicable elected representative of the affected governmental units” approve all private activity bond obligations after a public hearing.

The approval of Resolution No. 150 only facilitates further discussions and negotiations between staff, developer, underwriter, bond counsel, and other appropriate parties to determine the feasibility of the contemplated project. Approval of Resolution No. 150 neither commits nor obligates HHFDC to issue bonds for the Project.

If the Board approves this resolution, and the bond issue is determined to be feasible, staff will return at a later date to seek the Board’s final approval for the issuance, sale, and delivery of the Bonds. Furthermore, the bond issuance is subject to the approval by the Department of Budget and Finance and the Governor.

- G. The recommendation to reserve LIHTC is in accordance with the QAP.
- H. The recommendation to approve Resolution No. 150 and the LIHTC reservation are subject to the provisions and conditions in Exhibits C, D, and E.

IV. RECOMMENDATION

That the HHFDC Board of Directors approve the following:

- A. Resolution No. 150 attached as Exhibit F, which provides for official intent with respect to the issuance of revenue bonds up to \$10,488,964 for the Pauahi Kupuna Hale project, subject to the provisions and conditions recommended in Exhibits C and E.
- B. Reserve up to \$679,743 in annual Federal LIHTC over a 10-year period and \$679,743 in annual State LIHTC over a 5-year period from the non-volume cap pool (4% LIHTC) for the Pauahi Kupuna Hale project, subject to the provisions and conditions recommended in Exhibits D and E.
- C. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of this For Action.

Attachments:

- Exhibit A – Financing Summary
- Exhibit B – Project Location Map and Pictures
- Exhibit C – Inducement Resolution No. 150 Provisions and Conditions
- Exhibit D – Low Income Housing Tax Credit Provisions and Conditions
- Exhibit E – Provisions and Conditions applicable to both Inducement Resolution No. 150 and Low Income Housing Tax Credits
- Exhibit F – Inducement Resolution No. 150
- Exhibit G – Submittal Form and Requirements for IRS Form 8609 (subject to update and change)

Prepared by:	Mark Ogata, Finance Specialist	<u>MO</u>
	Patrick Inouye, Finance Specialist	<u>DT</u>
Reviewed by:	for Darren K. Ueki, Finance Manager	<u>DPK</u>

HHFDC FINANCING:

LIHTC REQUEST: (per unit)	Federal:	\$679,743	State:	\$679,743
	(over 10-years)	\$14,463	(over 5-years)	\$14,463

RHRF REQUEST:	Up To:	N/A
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HMMF REQUEST:	Up To:	\$10,488,964
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SITE WORK COST (EXISTING BLDG.):	Total: \$314,500	Per Unit: \$6,552	PSF: \$12.08	PSF Avg:*
				Avg.: \$5.54 Low: \$1.26 High: \$12.08
VERTICAL COSTS (EXISTING BLDG.):	Total: \$5,115,500	Per Unit: \$106,573	PSF: \$196.54	PSF Avg:*
				Avg.: \$205.02 Low: \$196.54 High: \$210.58
CONTRACTOR PROFIT (EXISTING BLDG.):	Total: \$739,200	Per Unit: \$15,400	PSF: \$28.40	PSF Avg:*
				Avg.: \$30.65 Low: \$28.40 High: \$32.12
CONSTRUCTION COST (EXISTING BLDG.):	Total: \$6,169,200	Per Unit: \$128,525	PSF: \$237.02	PSF Avg:*
				Avg.: \$241.21 Low: \$237.02 High: \$243.96

* Cost Average based on 2020 Applicant Cost for Existing Buildings Used for Housing

PROJECT COST:	Total:	\$22,188,687	Per Unit:	\$462,264	PSF:	\$852.49
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FINANCING AND COSTS:

1. HMMF Bonds, LIHTC, and a seller’s note provide the Project’s Primary financing support.
2. \$6,252,056 projected permanent HMMF Bond or senior conventional loan amount.

a. Applicant anticipates coverage of no less than 1.15x over a 35-year amortization period at 4.30%.

b. Breakeven (1.00x DSR) prompted by: (i) increase in interest rate to 5.39%; (ii) increase in vacancy to 11.41%; or (iii) decrease in average rents to \$1,304 from \$1,401.
3. Recommended award of \$679,743 in Federal LIHTC over 10-years and \$679,743 over 5-years in State LIHTC.

a. Applicant projects a blended investment rate of about \$0.86/LIHTC (supported by a letter of interest from National Affordable Housing Trust, Inc).

b. Anticipated eligible basis of \$17,666,690, 130% DDA boost, and an applicable percentage of 3.19% supports the recommended LIHTC amounts.

EXHIBIT A

- c. The projected layering gap of \$8,733,833 supports the recommended LIHTC amount based on the projected investment rate.
- 4. \$6,169,200 rehabilitation budget supported by the Capital Needs Assessment submitted with the Consolidated Application.
 - a. Major rehabilitation items are: elevator and equipment (\$750,640); mechanical and plumbing (\$682,994); finishes/painting/flooring (\$642,364); carpentry (\$613,380); and electrical (\$571,009)
 - i. Anticipated contractor's profit, overhead, and general requirements is 13.61% of hard construction costs, in-line with the 14.00% HUD Ceiling Standard.
 - b. \$751,920 contingency is 12.19% of construction costs and 5.26% of total development costs (less acquisition costs).
 - i. Applicant deferring all Developer Fees during construction. Correspondingly, Developer Fees do not supplement contingency.
 - ii. Contingency can absorb a construction cost increase up to \$265.91 psf.

DEMAND:

- 1. Market Study submitted in the application indicates satisfactory demand for the project.

FEASIBILITY:

- 1. Project is feasible and the assumptions are reasonable.

EXHIBIT A

PROJECT MAP & PICTURES:

Pauahi Kupuna Hale
167 N. Pauahi Street
Honolulu, HI 96817
TMK No.: (1) 1-7-003: 038



Pauahi Kupuna Hale



EXHIBIT B

RESOLUTION NO. 150 PROVISIONS AND CONDITIONS

The recommendation to adopt Resolution No. 150 is subject to the following provisions:

1. The awardee is responsible for all legal fees and expenses incurred by HHFDC from the issuance of this Inducement Resolution and the subsequent issuance of Hula Mae Multi-Family bonds when approved and all legal fees and expenses shall be due and payable at the time of closing of the Hula Mae Multi-Family Bonds. If the Hula Mae Multi-Family Bonds do not close, the awardee shall reimburse HHFDC for all legal fees and expenses incurred on behalf of this transaction.
2. Issuance of the Hula Mae Multi-Family Bonds shall occur within 12 months from the date of Resolution No. 150.
3. The owner shall commit the project and the land underlying the project to the requirements of: (i) Sections 141 through 147 of the Internal Revenue Code and (ii) HHFDC's Hula Mae Multi-Family Bond program. If the fee simple land owner is different from the project owner, both the project owner and the fee simple land owner (except for federal, state, or county government agencies) shall commit their respective interests in the project and the land underlying the project to the requirements of: (i) Sections 141 through 147 of the Internal Revenue Code and (ii) HHFDC's Hula Mae Multi-Family Bond program. The project owner and the fee simple land owner, as applicable, shall execute and record a Regulatory Agreement and Declaration of Restrictive Covenants for the Hula Mae Multi-Family Bond program, reflecting the Internal Revenue Code and program commitments.
4. Approval of project budget, project schedule, and construction cash flow prior to the issuance of bonds.

LOW INCOME HOUSING TAX CREDIT PROVISIONS AND CONDITIONS

The Recommendation to reserve LIHTC is subject to the following provisions:

1. The issuance of Tax-Exempt Private Activity Bonds in an amount that will justify the LIHTC allocation.
2. Owner agrees to comply with all other terms and conditions established for the LIHTC program by Section 42 of the Internal Revenue Code and HHFDC.
3. Owner shall provide the HHFDC with a written certification as to any self-dealings, related parties, or identity of interest prior to issuance of a binding commitment for LIHTC and upon application for issuance of IRS Form 8609.
4. Prior to the issuance of bonds, the applicant must submit an opinion from its tax counsel confirming that the redemption of a portion of the project's tax-exempt financing any time after the date on which the project is placed in service for purposes under Section 42 of the Internal Revenue Code, will not, in and of itself, result in a determination that the project was not financed with tax-exempt bonds pursuant to Section 42(h)(4)(B) of the Internal Revenue Code.
5. The owner shall submit a good faith deposit with HHFDC in an amount equal to 10% of the annual federal tax credit allocation. HHFDC shall receive the good faith deposit no later than 4:00 PM HST on February 1, 2021.
6. The owner agrees to waive its rights to request a Qualified Contract under Section 42(h)(6) of the Internal Revenue Code, as elected, indicated, and certified in its Consolidated Applications dated June 22, 2020, as amended.
7. The owner agrees to submit the information and documents contained in HHFDC's Request for IRS Form 8609 Issuance, (see Exhibit G), and any other information and documents that may be required for the issuance of IRS Form 8609. Please note that the Request for IRS Form 8609 Issuance is subject to updates.
8. The owner shall commit the project and the land underlying the project to the requirements of: (i) Section 42 of the Internal Revenue Code and (ii) HHFDC's LIHTC program. If the fee simple land owner is different from the project owner, both the project owner and the fee simple land owner (except for federal, state, or county government agencies) shall commit their respective interests in the project and the land underlying the project to the requirements of: (i) Section 42 of the Internal Revenue Code and (ii) HHFDC's LIHTC program. The project owner and the fee simple land owner, as applicable, shall execute and record a Declaration of Restrictive Covenants for LIHTC, reflecting the Internal Revenue Code and program commitments.
9. Prior to the allocation of LIHTC and issuance of IRS Form 8609, HHFDC shall determine if the project still warrants the recommended LIHTC amount. HHFDC reserves the right to reduce the recommended LIHTC amount based on various items, including, but not limited to, lower development costs, additional funding sources, or better financing terms.
10. The owner shall fund a Replacement Reserve account in an amount satisfactory to the HHFDC. The Replacement Reserve shall be under the control of HHFDC for the benefit of the project/owner(s). HHFDC may agree to subordinate the requirement if the Replacement Reserve account is under the control of the Permanent Lender.
11. The reservation of LIHTC does not constitute an allocation of LIHTC.

EXHIBIT D

PROVISIONS AND CONDITIONS APPLICABLE TO BOTH RESOLUTION
NO. 150 AND LOW INCOME HOUSING TAX CREDITS

The following general provisions apply to the adoption of Resolution No. 150, and the reservation of LIHTC:

1. Any change in the ownership structure of the project is subject to HHFDC approval.
2. Owner agrees to and shall defend and indemnify the HHFDC from all litigation that may arise out of its participation in this project. The owner shall pay all fees and costs incurred by HHFDC arising out of any litigation.
3. Pauahi Elderly, Inc., the managing member and majority owner of the Owner's Managing General Partner, agrees to pledge all net sales proceeds from the sale of the project to the Owner (including cash at closing and repayment proceeds from the seller's note) to a depository account restricted for the direct benefit of the project. Net sales proceeds is defined as the project selling price less: (i) Pauahi Elderly, Inc.'s selling costs and (ii) outstanding debt secured by the property (or debt directly related to a HUD 202 loan made to and secured by the project dated June 26, 1985).
4. Owner must have fee simple or leasehold (corresponding to the HHFDC Board approval) ownership of the project site that adequately satisfies the approved affordability commitments of the project.
5. Owner shall consult with HHFDC and receive prior written approval from the Executive Director or a designated representative in order to make any changes to the project or application as proposed.
6. The owner shall comply with the requirements of all municipal, state, and federal authorities and observe all municipal, state, and federal laws including but not limited to:
 - a. The Fair Housing Act;
 - b. Chapter 343, Hawaii Revised Statutes ("HRS"), relating to environmental impact statements;
 - c. Chapter 103-50, HRS, relating to accessibility requirements;
 - d. Chapter 103D, HRS, relating to the Hawaii Public Procurement Code; and
 - e. Chapter 104, HRS, relating to wage and hour requirements applicable to the project and the use of State Funds.
7. The State of Hawaii's Disability and Communication Access Board (DCAB) shall review the project's final plans and specifications and HHFDC shall receive DCAB's "Final Document Review Letter" indicating that the documents appear to meet the requirements of the Uniform Federal Accessibility Standards (UFAS) or the American Disability Act Accessibility Guidelines (ADAAG) prior to the commencement of construction.
8. Owner shall ensure that HHFDC receives the final as-built drawings and specifications for the project.
9. The owner agrees to provide a written quarterly status report as to the progress of the project during predevelopment, construction, and lease-up. The quarterly status report is due on the last working day of March, June, September, and December.

EXHIBIT E

10. Total fees paid to the Developer, including, but not limited to, Developer Overhead, Developer Fees, Consultant Fees, and Project Management Fees, for the project shall not exceed \$2,894,176.
11. The owner shall not pay or disburse Developer Fees until satisfactory project completion. The owner agrees that the Developers Fees shall be made available as contingency until satisfactory project completion, should the need arise.
12. The owner is responsible for payment of all Compliance Monitoring fees.
13. Owner agrees to provide HHFDC with an independent annual financial and compliance audit in addition to all other documents that may be required under the LIHTC program. Such audit shall include an accounting of the Replacement Reserve and Residual Receipt accounts.
14. The owner agrees to comply with any other terms and conditions that the Executive Director or a designated representative may require.
15. The owner agrees and acknowledges that the reservation of LIHTCs and the adoption of Resolution No. 150 is not an endorsement of the project by the State and that the allocation should not be used as an inducement in seeking other required regulatory approvals.

EXHIBIT E

RESOLUTION NO. 150

RESOLUTION SETTING FORTH THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION'S OFFICIAL INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS TO UNDERTAKE THE FINANCING OF THE PAUAHI KUPUNA HALE PROJECT

WHEREAS, Part III of Chapter 39 and Part III of Chapter 201H, Hawaii Revised Statutes, as amended (collectively, the "Act"), authorize the Hawaii Housing Finance and Development Corporation (the "Corporation") to issue bonds to provide moneys to make mortgage loans to assist in developing, constructing, and providing housing for persons of low and moderate income;

WHEREAS, Pauahi RHF Partners, LP (the "Borrower"), has requested that the Corporation issue and sell multi-family housing revenue bonds (the "Bonds") pursuant to the Act for the purpose of financing the acquisition and rehabilitation of a multifamily residential development commonly known as Pauahi Kupuna Hale located on approximately 0.53 acres in Honolulu County (the "Project");

WHEREAS, the Corporation, in the course of assisting the Borrower in financing the Project, expects that the Borrower has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project within 60 days prior to the adoption of this Resolution and prior to the issuance of Bonds for the purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, §1.150-2 of the United States Treasury Regulations (the "Regulations") requires the Corporation to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

WHEREAS, the Corporation wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures), when so requested by the Borrower upon such terms and conditions as may then be agreed upon by the Corporation, the Borrower and the purchaser of Bonds in an aggregate principal amount not to exceed ten million four hundred eighty-eight thousand nine hundred sixty-four dollars (\$10,488,964);

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Hawaii Housing Finance and Development Corporation, as follows:

Section 1. The Board of Directors finds and determines that the foregoing recitals are true and correct.

Section 2. This resolution is made solely for purposes of establishing compliance with the requirements of §1.150-2 of the Regulations. This resolution does not bind the Corporation to make any expenditure, to issue Bonds or otherwise to incur any debt or to proceed with the Project.

Section 3. The Corporation hereby declares its official intent to issue Bonds for the purpose of financing costs of the Project by lending the proceeds to the Borrower, which may use the proceeds of Bonds, if and when issued, to reimburse the Reimbursement Expenditures and pay other costs of the Project.

Section 4. This resolution shall take immediate effect from and after its adoption.

EXHIBIT F

The Undersigned hereby certify that the foregoing Resolution was duly adopted by the Directors of the Hawaii Housing Finance and Development Corporation on December 10, 2020.

DONN MENDE, Chair

GARY MACKLER, Vice Chair

RONA FUKUMOTO, Secretary

MELVIN KAHELE, Director

CAROL REIMANN, Director

GEORGE ATTA, Director

CRAIG HIRAI, Director

MIKE MCCARTNEY, Director

KYMBERLY SPARLIN, Director

Hawaii Housing Finance and Development Corporation
Request for IRS Form 8609 Issuance

Once the project has been Placed-In-Service the Hawaii Housing Finance and Development Corporation can begin the final review process for issuing IRS Form(s) 8609. Please complete this form and submit all required documents listed below to the HHFDC to start the review process.

Requirements are subject to change. Please contact the Finance Branch prior to submitting the request for issuance of IRS Form 8609.

Project Name:	
Owner Name:	
General Partner / Managing Member:	
Owner Contact: <i>(Include Address, Phone #, and email address)</i>	

	Federal	State
LIHTC Awarded: (Year) Amount		
LIHTC Allocation Request*:		

* Enter the Owner’s requested amount of LIHTC for allocation on IRS Form 8609. The request LIHTC amount must be equal to or less than the amount awarded.

☐ Competitive

☐ Non-Competitive

☐ Acquisition and Rehabilitation

☐ Rehabilitation Only

Non-Profit Set-Aside? ☐ Yes ☐ No

Project and LIHTC Breakdown:	
1. <input type="checkbox"/>	Complete Table A on the last page

General Requirements:	
1. <input type="checkbox"/>	Written request from owner for issuance of the IRS Form 8609's. Include current project status including occupancy information and any work outstanding.
2. <input type="checkbox"/>	Written request from owner requesting refund of the Good Faith Deposit.
3. <input type="checkbox"/>	Proof of Placed in Service Date: (Provide all that apply) <div>a. <input type="checkbox"/> Certificate(s) of Occupancy</div> <div>b. <input type="checkbox"/> Proof of Bond Issuance Date</div> <div>c. <input type="checkbox"/> Notice of Substantial Completion (Rehabilitation Projects Only)</div> <div>d. <input type="checkbox"/> Proof of Acquisition Date (Acquisition and Rehabilitation Projects Only)</div> <div>e. <input type="checkbox"/> Affidavit of Publication – Notice of Completion</div>

General Requirements:	
4. <input type="checkbox"/>	<p><u>New Construction:</u> Submit a certification for establishment of a lottery system. The certification shall include when and where the lottery was held, and a copy of the subsequent wait list for project lease-up.</p> <p><u>Rehabilitation:</u> Submit a letter confirming the following:</p> <ol style="list-style-type: none"> 1. Number of tenants displaced during the rehabilitation. 2. Duration of tenant displacement. 3. Options that the tenants were offered during the time that their units were being rehabilitated (temporarily move to a new unit, temporarily move to a living facility nearby, etc.) 4. Status of the tenants after the rehabilitation was completed (did the tenants move back, move out of the project prior to rehabilitation, etc.) - this is in general terms, do not need details of each tenant; for example, "Every tenant returned to their unit after the rehabilitation was complete. One tenant moved out of the property at the beginning of the rehabilitation period." 5. Any other information that pertains to the displacement or non-displacement of the tenants.
5. <input type="checkbox"/>	One full set of "as built" drawings and final specifications certified by Owner's architect.
6. <input type="checkbox"/>	Site map showing building addresses, numbers or letters (identifiers) and the number of units in each building.
7. <input type="checkbox"/>	<p>Final Review Letter from Disability and Communication Access Board.</p> <ol style="list-style-type: none"> a. If there has been any change orders or revisions to the DCAB approved plans, submit a Certification from the Architect and the Project Owner that all change orders and revisions to the plans and specifications made after the date of the issuance of the Final Review Letter were submitted to and approved by the Disability and Communications Access Board.
8. <input type="checkbox"/>	<p>Final Project Cost Certification <u>audited</u> by a Certified Public Accountant. The cost certification must include, at minimum, the following:</p> <ol style="list-style-type: none"> a. <input type="checkbox"/> Total Project Cost Detail by Line Item based on Exhibit B of HHFDC's Consolidated Application b. <input type="checkbox"/> Eligible Basis Detail by Line Item based on Exhibit B of HHFDC's Consolidated Application c. <input type="checkbox"/> Interim Financing Sources Schedule d. <input type="checkbox"/> Permanent Financing Sources Schedule e. <input type="checkbox"/> Reconciliation of Interim Sources, Permanent Sources and Total Project Costs f. <input type="checkbox"/> Calculation of eligible LIHTC by building and in project aggregate. Include reconciliation of eligible LIHTC with LIHTC Allocation Request. g. <input type="checkbox"/> <u>Tax-Exempt Bond Projects:</u> Proof of compliance with 50% Test h. <input type="checkbox"/> <u>Rehabilitation Projects:</u> <ol style="list-style-type: none"> i. Certification that the project met the minimum expenditure requirement of IRC Section 42(3)(A). ii. Identify the 24-month period allowed under IRC Section 42(3)(A) for aggregating rehabilitation expenditures.

EXHIBIT G

General Requirements:	
	iii. Certification of the rehabilitation placed-in service date. HHFDC shall use this date on the Rehabilitation Form 8609.
9. <input type="checkbox"/>	Updated project proforma. Include breakdown of current and projected rents, operating expenses and debt service.
10. <input type="checkbox"/>	Final Budget Modification (to Application)
11. <input type="checkbox"/>	Copy of all executed permanent financing documents (list): 1. 2. 3.
12. <input type="checkbox"/>	Amended and Restated Partnership Agreement, setting forth such terms as the sales price, equity contribution, distributions, and all other significant terms and conditions.
13. <input type="checkbox"/>	Federal & State Tax Clearance Certificate or Vendor Compliance Certificate. a. <input type="checkbox"/> Owner b. <input type="checkbox"/> General Partner / Managing Member c. <input type="checkbox"/> Other
14. <input type="checkbox"/>	Certificate of Good Standing (State of HI) or Vendor Compliance Certificate. a. <input type="checkbox"/> Owner b. <input type="checkbox"/> General Partner / Managing Member c. <input type="checkbox"/> Other
15. <input type="checkbox"/>	DLIR Form 27 for the Owner or Vendor Compliance Certificate
16. <input type="checkbox"/>	Corporate Resolution from General Partner / Managing Member
17. <input type="checkbox"/>	Written Certification as to any self-dealings, related parties, or identity of interest
18. <input type="checkbox"/>	Pictures of completed project.
19. <input type="checkbox"/>	Declaration of Restrictive Covenants for Low Income Housing Tax Credits. (Final Draft)
20. <input type="checkbox"/>	Certification from the appropriate regulating entity for the green building standard elected in the Project's consolidated application and scored upon by HHFDC. If the Project only elected solar water heating, architect and contractor certification of the installation and current operation of the solar water heating system
21. <input type="checkbox"/>	Copy of Owner's Letterhead to request a Vendor Number. Applicable only to projects where the return of 40% of the Good Faith Deposit is the first disbursement to the owner from HHFDC.
22. <input type="checkbox"/>	Lessor's Estoppel Certificate (leasehold property)
23. <input type="checkbox"/>	Lessor's Consent to Declaration of Restrictive Covenants for Low Income Housing Tax Credits (leasehold property)
24. <input type="checkbox"/>	RHRF Projects – Executed Collateral Assignment of Management Contract.
25. <input type="checkbox"/>	Current preliminary title search.

EXHIBIT G

General Requirements:	
26. <input type="checkbox"/>	Property Manager Contact Information: a. Name of Property Manager b. Property Management Company c. Address d. Phone Number e. Email Address
27. <input type="checkbox"/>	State Wage and Hour Requirement - Final Clearance. Finance Staff will confirm final clearance through the Development Branch.

Project Specific Requirements:	
1. <input type="checkbox"/>	

TABLE A

Building	1	2	3	4	TOTAL
Building Identification Number					
Building Address					
TMK Number					
Type of Building (new const, rehab, acq)					
Square Footage					
Square Footage - % of Total					Square Footage - % of Total
LIHTC Reservation					Total LIHTC Reservation
Eligible Basis					Total Eligible Basis
Placed in Service - Acquisition					
Placed in Service - New Construction / Rehabilitation					

Taxpayer I.D. No.:

By:

Its:

Date: